

Mr. ROTHMAN. Mr. Speaker, today is the day that we from Bergen and Hudson Counties in New Jersey are putting forth a plan to solve the education crisis we face as a Nation.

Yesterday's headlines could not have been more timely nor more accurate in describing the hardship our families are experiencing in affording their children's college education and the importance of a college education itself. The New York Times put it best: "Rising college costs imperil the Nation."

A report commissioned by a private company said that at the current rate, tuition will double by the year 2015, effectively shutting off higher education to half of those who are qualified and wish to pursue one.

This report only echoes what I have been hearing around my district for the last 6 months from parents, students, teachers, and college administrators in Hudson and Bergen Counties, New Jersey.

Lisa Kelly, an employment counselor at Hackensack High School, came to a college finance workshop I hosted because she has a young boy 3 years old, and she is scared, scared about how she is going to afford college for him, and scared about the next 15 years and about her ability to save money for his education. But her son is fortunate because Mrs. Kelly is starting to save for college right now.

I met with students in Wallington, New Jersey, like Conrad Sopeelnikov, who finished number one in his class in high school, is a star football player, and has already spoken with Yale's football coach about that school. But that conversation will be in vain if Conrad is not given scholarships and financial aid.

I met with students in North Bergen, New Jersey, like Dana Maurici, who had dreamed of going to Seton Hall University, close to home, but she did not even apply because her family could not afford 4 years of tuition. As she told me in her own words, she said it would be like, here is a bite of candy, but you cannot finish it.

Then there was Judy Hyde, the PTA President of Hudson County, New Jersey, who understands that an education is not just for young people. She organized a parents summit for me in Kearny, New Jersey, where parents told me that in addition to saving for their children's college education, they, the parents, also need help to save for their own retraining and for advanced degrees.

Mr. Speaker, these parents and students understand, as do I, that everyone in America deserves an equal opportunity for a higher education. They know that we rise or sink as a nation together, and that if anyone is left behind, if any child is denied an equal opportunity to learn, then we have failed. We have failed them, we have failed their parents, and we have failed our country. We have failed the ideal of America to provide every American with the equal opportunity to achieve and earn the American dream.

That is why I have produced the Lifetime Learning Affordability Act. This bill would allow working and middle-class parents the ability to set up IRA-like savings accounts for each of their children. They, their parents, their grandparents, their aunts and uncles, could set up tax-deductible accounts up to \$4,000 per year until the account has achieved \$100,000 in it. That money could then be only withdrawn to pay for tuition and specific education-related expenses.

Here is the unique aspect of my Lifetime Learning Affordability Act. After the student reaches the age of 22 and is earning a living, he or she can then put additional monies into that account, up to \$2,000 a year, so if he or she is ever laid off of their job, wants to learn new skills or just wants to go back to school later in life, there will be a nest egg for that person, that older student, to go back to school and to use for that purpose.

To make sure these accounts are not abused as tax shelters for the very rich, there will be a significant penalty for the early withdrawal of those monies, or if the money is spent on something other than education.

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Yet even with this tax deductible IRA account of mine, we know that not every family can afford to save for college and not every family can take advantage of a tax deduction. That is why the bill also calls for increasing the Pell grants, not only in the number of Pell grants we issue but in the amount we give to each student. A modest increase such as the one we propose in our bill will help 75,000 low income students in New Jersey alone get a head start on life. The bill also restores the much-needed tax deduction for interest on student loans.

We, as a nation, Mr. Speaker, must understand that investing in education is the best investment we can make as a country and the best investment we can make as individual families.

I urge my colleagues to join me in supporting the Lifetime Learning Affordability Act so that we can unlock the doors of opportunity for every American, the lifetime of opportunities that a college education provides. I urge my colleagues to support me in this adventure.

#### THE AMERICAN DREAM

The SPEAKER pro tempore (Mr. COOKSEY). Under a previous order of the House, the gentleman from South Carolina [Mr. SANFORD] is recognized for 5 minutes.

Mr. SANFORD. Mr. Speaker, I have been hearing a fair bit about taxes. I think that is going to be the subject of debate over this next week and the week after.

When we talk about taxes, I think we are talking about something much more important than taxes alone. What we are really talking about is the

American dream. It strikes me that there are two ways to get at the American dream. One is to let somebody keep more of what they are earning. The other way is to let somebody earn more on what they are earning.

What do I mean by that? What I mean is, I heard a story here just last week about a woman by the name of Osceola McCarthy. My colleagues may have already heard this story, but Osceola McCarthy was a washerwoman down in the southern part of Mississippi. And she was in her late 70's. She goes to the nearby school. She had spent her life as a washerwoman, her entire lifetime washing people's clothes, never earned much money over the course of her lifetime.

She goes to this nearby university and she said, I would like to help out. And they figure, well, she is going to give us a cloth doily or something. But instead of a cloth doily, she hands them \$150,000. Everybody at the university cannot believe it. How in the world did this washerwoman come up with \$150,000 for the university?

What she said is, I just put a little bit away over a long period of time. In fact Einstein was once asked, what is the most powerful force in the universe. His reply was, compound interest. It is amazing what you can end up with at the end of a working lifetime if you simply put a little bit away over a long enough period of time and let it grow and compound.

And that simple idea is a very powerful idea that gets at the second part of the American dream, again one part of the American dream being we can get there by letting people keep more of what they are earning, which is what tax cuts are about. But the second part is letting people earn more on what they are earning, because what the Social Security trustees have said is that Social Security today, while it has done a fabulous job for my mother and my grandmother, what they have said is that it will not do such a great job for my three young boys. Marshall is 4; Landon is 3; Bolton is 1.

And what they have said is that for a worker today, the average rate of return is 1.9 percent. And what they have said for my three little boys is that the rate of return is negative. And the fundamentals behind what is driving that are not going to change.

One is that we are living longer as a country. Each of us, average life expectancy when Social Security was created was 62 years of age. Today it is 76. Every year that I grow older, I hope that the medical folks keep making advances so that life expectancy continues to move out. That is a phenomenon we are not going to change. The other phenomenon we are not going to change in terms of Social Security is that people are having fewer kids. We have gone from having big families on the farm to having relatively small families today.

We have got three boys. The idea of mentioning to my wife, Jenny, why do



we not have another 6 or 7, I think we could help solve the Social Security problem, is not going to fly at home.

What we have been wondering is, is there a third way out. I think there is. This idea of personal savings accounts, which are built on the simple idea that Osceola McCarthy's wealth was built on. Because what we ultimately want to see in America is everybody building wealth, not just a few people at the top. And this simple idea of personal savings accounts. Personal savings accounts has been tried in a host of countries around the globe. It has been tried in a number of States and countries within our own country, in fact.

Down in south Texas, Galveston, Matagorda and Brazoria Counties down in south Texas, prior to 1983, you could create your own Social Security system. You could stay on the Federal version or you could create your own version at the State or local level. Those counties did. What they found was those county workers got more in the way of disability insurance. They got more in the way of survivor benefits, and they got more in the way of retirement income. In other words, there was a third way out.

And not only was there a third way out in terms of having more in the way of retirement income, there were a whole host of other benefits. For instance, choosing for you when you want to retire. If you stop and think about it, you can go down the grocery store aisle and look at 25 different kinds of detergent. You could look at 35 different kinds of toothpaste. But you cannot pick for you when you want to retire.

Yet you think about it, why should a Congressman or a Senator or a bureaucrat in Washington decide for you when you want to retire. Why do not you get to pick for you when you want to retire?

One of the benefits that would come with the idea of personal savings accounts is somebody making that decision for themselves. There are a host of other benefits that would come with the idea of personal savings accounts. It is not something we want to impose on seniors, but I think it is something we want to begin talking about for people that are juniors.

#### TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. Fox] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to address my colleagues and have them be part of a dialog on a very important topic. That is tax reform.

This Congress has a historic opportunity to work with American families to make sure that they keep more of their hard-earned money which their jobs have produced, which their investments have produced.

As a broad outline we are talking about a \$500 per child tax credit, reduc-

tion of inheritance taxes. How many people across Pennsylvania and other States are taking all the money that would be from the farm or the business but they have to sell the farm or the business to pay for inheritance taxes?

We have an opportunity here in the coming weeks to pass the kind of reductions in inheritance taxes so that the heirs of the people who own the businesses and the farm will make sure their children have the benefit of what their hard-earned dollars bought.

We also are talking about the reduction of capital gains tax. This is very important for individuals and businesses. By having this, we increase savings. We increase investment. We increase jobs. You only have to look to the Kennedy and Reagan administrations, Democrat and Republican administrations, last time we had a capital gains tax reduction we saw a great upward mobility of this country. We saw a great growth.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. KINGSTON] for the comments he has from his district as it relates to the need for tax reform.

Mr. KINGSTON. In terms of the hard-working middle class Americans, they do need tax relief. Their tax burden right now is about 38 percent per family. That is up 1 percent from what it was 2 years prior, but it is very important for us to realize that 75 percent of the tax relief proposed goes to families with household income of \$75,000 or less. Ninety-one percent of it goes to families with household income of \$100,000 or less. And for families with income of \$200,000 or more, there is only 1.2 percent of the money for their tax relief.

Mr. FOX of Pennsylvania. Most of the tax reform we are talking about in Congress is for the middle class.

Mr. KINGSTON. Absolutely.

Mr. FOX of Pennsylvania. Hard-working persons who are out there in industry and business.

Mr. KINGSTON. Mr. Speaker, the fraud that is being perpetuated by those who say this is a tax cut for the wealthy is just outrageous. They know better in their heart of hearts. How they can even look themselves in the mirror and say that this is a tax cut for the wealthy is beyond me.

Mr. FOX of Pennsylvania. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PAPPAS]. I know that he has been working hard in this committee and with his constituents in New Jersey to try to make sure we give tax relief.

Mr. PAPPAS. Mr. Speaker, I thank the gentleman for yielding to me. When I go back home, I do not use terms like "budget reconciliation" or "budget resolution" or "CR," which is an abbreviation for continuing resolution. I talk to my constituents about balancing the budget, cutting taxes, plain language that they use every day and that I think we should use more around here.

I am very fortunate, as my friends are here, to be part of this Congress,

which I am convinced is going to enact permanent tax relief for American families that really is going to make a difference in quality of life, the lives of the people that we represent.

As we all know, the Committee on Ways and Means, just within the last week or so, has been marking up a bill that will include these things. The gentleman spoke about estate tax reform. Most people are referring to that now as a death tax. That is exactly what it is.

The American dream for many people is to work hard all of your life and to build a business that you can pass on to your kids. That American dream is becoming a nightmare for so many families in our country and that is very unfortunate. We have the opportunity here, I believe we have the obligation in this Congress, in Washington, DC, to enact that kind of tax reform that will enable family-owned businesses, family-owned farms to be passed from one generation to the next.

Mr. FOX of Pennsylvania. Mr. Speaker, I think it is also interesting to note that not only are we talking about tax relief for inheritance taxes, capital gains, the \$500 per child tax credit, but also tax deductibility for a college loan. This is a step in the right direction.

Mr. Speaker, I yield to the gentleman from Colorado [Mr. BOB SCHAFFER].

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, it is interesting, when you hear the liberals here in Washington, as we heard all day today talking about the Congress giving something to taxpayers, this notion that government gives something away when we lower taxes is a fallacy in and of itself.

It really underlies the problems with the arguments that they try to make, insulting our efforts to try to provide tax relief for American families and to allow for families to keep more of what they earn for themselves. This government takes things away from the American people. It confiscates the wealth of families and sends it here to Washington where we distribute it to the charity of the government's choice.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to start the dialog on tax reform which is so important to the American people.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

#### ORDER OF BUSINESS

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from New York [Mr. FORBES].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?